



COMMUNITY CHOICE AGGREGATION FACT SHEET

Overview

- Community Choice Aggregation (CCA) is a municipal energy procurement model that would replace RG&E as the *supplier* of electricity for homeowners and small businesses in Pittsford. RG&E would remain the electricity *distributor*. In this new model, RG&E would still own and operate the transmission lines, respond to outages and emergencies, and bill as normal for delivery of those services.
- In pooling the whole community's demand for electricity, Pittsford would have leverage to negotiate with power suppliers for clean energy at lower rates. Pittsford has discussed with the towns of Irondequoit and Brighton proceeding together, which would create an even larger customer pool.
- On September 17, 2018, the Town Board enacted legislation permits the Town to pursue a CCA program. The legislation does not, itself, establish such a program, nor require the Town to do so. It simply permits it to see if it can obtain for Pittsford residents electricity on terms specified by the Town. These terms would include (a) a lower electricity rate than the RG&E rate; and (b) a "100% renewable" electricity package. The Town most likely would seek, as a second, additional option for residents, lower rate electricity from *any* sources.

Next Steps

- The town attorneys of Pittsford and the other two towns already are working on an inter-municipal agreement for the purpose of proceeding in tandem.
- With the other Towns if we reach an agreement, or independently, Pittsford would select a third-party administrator for the CCA program through the customary procurement process.
- We would enter into a Memorandum of Understanding with the chosen administrator, specifying the terms of engagement and the type of electricity package sought. The Administrator would be paid a fee by the electric power supplier funded by ratepayers. The Town would not make any payment to the administrator. This is the same fee that RG&E charges customers who do not elect to choose an energy supplier on their own. On a standard bill, it is called a Merchant Function Charge.
- There are multiple options for the type of electricity package sought. The Supervisors of Pittsford, Irondequoit and Brighton and the Pittsford Village Mayor are committed to seeking a 100% renewable clean energy product mix, subject to approval of that concept by their respective boards. As local green energy sources come online, these can be integrated into the

CCA program for even further savings potential as the Public Service Commission expands the program offerings.

- The Administrator then would negotiate with electric power suppliers to obtain an energy package in accordance with the Town's direction. If it obtains a bid acceptable to the Town, the Town Board would approve a contract between the Town and the electricity supplier.

Pricing and Options

- Under the State regulations that apply to CCA programs, the supply contract would be for a fixed-rate for a term of 2 years.
- The rate would not exceed the average RG&E variable supply rate over the timeframe (1 or 2 years) specified by the Town in its Memorandum of Understanding with the CCA Administrator.
- By way of illustration, as of the day of this writing (9/17/2018), the 30-day average for electricity from RG&E is 4.5cents/kWh. The rate varies every day. Also as of the day of this writing, the spot price for electricity from RG&E is 5.2 cents/kWh. Average household electricity consumption in New York is 603 kWh month.
- All households not currently under contract with an electricity supplier other than RG&E, and all eligible businesses, would be enrolled in the CCA program automatically.
- Any household or business could opt out at any time, without penalty.

Additional Options

- A CCA program can offer residents a choice of options. This was one of the State Public Service Commission's main reasons for authorizing CCA in New York. According to the New York State Energy Research and Development Authority (NYSERDA), the standard CCA program now offers consumers two options. The municipality can direct the CCA Administrator to obtain two quotes for two different products.
- Under the scenario currently contemplated by Pittsford and the other two towns, the default option would be 100% renewable. A possible second option could be, for example a *partially* green product, but cheaper. Enrolment in the default option would be automatic, unless the consumer specifies the second option.
- As an illustration, the Westchester CCA program offered as its default plan a non-green package, and as a second choice a slightly more expensive 100% green product mix.